

1 Q. **Re: May 18, 2018 Application regarding Confidential Information contained in**  
2 **Table 2 of Hydro’s Response to PUB-NLH-149**

3 In clause 10 Hydro states *“The information contained in Table 2, when combined*  
4 *with existing industry knowledge, specifically information readily accessible by*  
5 *energy suppliers and competitors through the Open Access Same-Time Information*  
6 *System (Oasis), is information which can be used by such persons to deduce the*  
7 *average price per kilowatt hour paid by Hydro. It is reasonable to expect that energy*  
8 *suppliers, transacting within what is a highly competitive energy market, would use*  
9 *this information to make such deductions to determine what NEM was willing to*  
10 *pay for energy on an individual transaction basis.”* Please explain the shortcomings  
11 in NEM’s procurement process that prompt suppliers to bid on the basis of what  
12 NEM is willing to pay rather than their cost plus reasonable profit. If suppliers bid  
13 more than their cost plus reasonable profit does this not reduce their chances of  
14 making the sale over their competitors. If suppliers are bidding more than their  
15 costs plus reasonable profit does this not imply that the market is not truly  
16 competitive?

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19 A. The market drives suppliers to compete against each other to win a sale.  
20 Newfoundland and Labrador Hydro cannot comment on the competitive and price  
21 setting strategies of individual suppliers.